And now, apart from the additional security features, we have now placed orders for new cylindrically mould watermarked notepaper which is a special paper, which will be used for printing new currency.

Rate of interest on loans by NABARD

*323. SHRI N.K. PREMACHANDRAN:
SHRI KRIPAL PARMAR:†

Will the Minister of FINANCE be pleased to state:

(a) the interest rate allowed by the NABARD for the agricultural loans;

(b) whether Government are aware that the interest rate exceeds when the agriculture loans of NABARD are routed through the co-operative and other commercial banks for the agriculture; and

(c) whether Government consider to extend the agricultural loans to farmers at the interest rate prescribed by the NABARD and the reaction of Government thereto?

THE MINISTER OF FINANCE (SHRI P.CHIDAMBARAM): (a) to (c) A Statement is laid on the Table of the House

Statement

(a) NABARD provides refinance on Short Term Seasonal Agricultural Operations (ST-SAO) at rates varying between 5.5% to 6% and on investment credit under farm/non-farm sector at rates varying from 6.50% to 7% per annum. NABARD does not provide agriculture loan directly to the ultimate borrower, nor does it prescribe any rate of interest for onward lending by the borrowing banks.

(b) and (c) Banks are free to determine the lending rate of interest taking into account the cost of funds and the risk element involved. However, RBI has stipulated that interest rate on loans by Commercial Banks upto Rs.2.00 lakhs should not exceeds the Benchmark Prime Lending Rate (BPLR). Further, Indian Banks' Association has advised public sector commercial banks to charge interest rate of not more than 9% p.a. on crop loans upto Rs.50,000/-. As regards Cooperative Banks, the rates of interest for the ultimate borrower generally works out higher because of their high cost of funds, multi-tier structure of Credit Cooperatives, high level of overdues and high transaction costs. With a view to ensure agricultural loans at lower rate of interest, Government has decided to

† The question was actually asked on the floor of the House by Shri Kripal Parmar.

ensures short term credit to farmers at a rate of 7% p.a. with an upper limit of Rs.3,00,000/- on the principal amount with effect from Kharif 2006-07.

श्री कृपाल परमार: माननीय सभापति महोदय,भारत में 70 से 80 फीसदी लोग कृषि पर निर्भर करते हैं और सबसे ज्यादा रोजगार भी लोगों को कृषि-क्षेत्र में ही मिलता है। माननीय मंत्री जी देश के माने हुए अर्थशास्त्री हैं,लेकिन कृषि को नजरअंदाज करने के लिए भी आप जाने जाते हैं। सभापति जी,आज तक किसी भी किसान ने कर्ज को वापस करने से आनाकानी नहीं की है,ईमानदारी से कर्जा अदा करने की नीयत के कारण ही किसान आज आत्महत्या करने के लिए मजबूर हो रहा है और सरकारी आंकड़ों के तहत आज तक 26 हजार लोग कर्जे के बोझ के कारण आत्महत्या कर चुके हैं। एनडीए सरकार ने इस ब्याज दर को घटाने का काम किया था।

श्री सभापति: आप उस पर मत जाइए,आप ब्याज-दर के क्वैश्चन पर आइए।

श्री कृपाल परमार: सर,क्वैश्चन कर रहा हूँ। तो उन्होंने 9 से 6 प्रतिशत तक लाने का प्रयास किया था। माननीय मंत्री जी ने अपने बजटीय भाषण में कहा है कि इसको 7 फीसदी लाने का प्रयास करेंगे,इसका मैं स्वागत करता हूँ,लेकिन माननीय मंत्री जी ने बडी * के साथ ...(**व्यवधान**)...

श्री मोती लाल वोरा: *शब्द नहीं। ...(**व्यवधान**)... चतुराई।

श्री कृपाल परमार: *वापस ले लिया मैंने। नाबार्ड में कर्जा किसानों को सहकारी बैंकों के माध्यम से मिलता है।

श्री सभापति: आप क्वैश्चन करिए,प्लीज।Please come to the question. This is not the question.

श्री कृपाल परमार: मैं माननीय मंत्री जी से यह जानना चाहता हूँ कि सहकारी बैंकों पर जो सर्विस टैक्स लगाया गया है,जिसका बोझ किसानों के कर्ज पर और ब्याज-दर पर पड़ेगा, क्या उस सर्विस टैक्स को वापस लेंगे,ताकि किसानों को राहत मिले?

SHRI P. CHIDAMBARAM: Sir, it is a mixed bag of questions. So, let me confine only to the question and the supplementary arising out of that.

We have addressed this issue in the Budget and we have said, beginning Kharif 2006-07, short-term crop loan will be available at 7 per cent. I do not wish to enter into a competitive dialogue with the hon. Member whether the NDA Government brought it down to 6 per cent. Well, if the NDA Government had brought it down to 6 per cent, why should I raise it to 7 per cent? The point, is it was 9 per cent...

श्री कृपाल परमार: मैंने कहा कि 9 परसेंट लाए थे ...(**व्यवधान**)...

SHRI P. CHIDAMBARAM: Sir, it was at 9 per cent and we have announced that it will be 7 per cent beginning Kharif, 2006. In fact, the entire issue raised in this question has been addressed in the Budget. .

*Expunged as ordered by the Chair.

SHRI P. CHIDAMBARAM: I do not disagree that the Farmers' Commission has recommended an interest rate of 4 per cent. But, as I have explained, having regard to the rate of inflation today, having regard to the bank rate, having regard to the call money rate, and having regard to the REPO and reverse REPO rates, it is not possible, nor is it wise having regard to the health of the banking system, to bring it down to below 7 per cent at the moment.

DR. K. MALAISAMY: Sir, I agree that NABARD is not an agency which gives loans directly; it is a refinance organisation. Sir, the NABARD gives money to commercial banks and cooperative banks. I want to know whether the NABARD, in its own way, can afford to lay a condition in such a way that the lending banks cannot raise the rate of interest.

SHRI P. CHIDAMBARAM: Sir, the NABARD refinances the cooperative credit structure and the Regional Rural Banks. The NABARD does not refinance commercial banks. So far as the rates charged by the cooperative credit structure is concerned, it varies among the States; the lowest — because there is a subsidy given by the State of Karnataka — is 6 per cent in Karnataka; the highest goes up to 14 per cent in some States. Now, what I have proposed in the Budget Speech—and I will finalise the scheme in the next few days — is that the NABARD will insist that the crop loan to the farmer should be given by the PACS and by the RRB at 7 per cent. Provided the loan is given at 7 per cent, the NABARD will appropriately refinance it. But the scheme is under discussion. I expect to finalise it in the next few days.

SHRI RAVULACHANDRA SEKAR REDDY: Sir, as I understand from the hon. Minister's reply, the interest rate for crop loan is 9 per cent, not more than 9 per cent; that is the resolution of the bankers' association. And for short-term, it is 7 per cent.

SHRI P. CHIDAMBARAM: No, no. At the moment, it is 9 per cent; and seven per cent is what I have announced.

SHRI RAVULA CHANDRA SEKAR REDDY: Nine per cent is up to Rs. 50,000 on crop loans. Sir, this is on the higher side and most of the small and marginal farmers go in for crop loans. Is there any proposal to reduce that also? Sir, I am citing an example here, though it is not possible for the hon. Minister to reply it now. But, I am citing an example wherein a money-lender has taken away the entire crop of a farmer in Andhra Pradesh. This has appeared in today's newspaper. ...*(Interruptions)*... He has charged an interest of 36 per cent, and he has taken away the entire crop of the

farmer. I will pass it on to the hon. Minister for necessary action. ...*(Interruptions)*... Sir, I beg your pardon. Sir, the second part of my supplementary is this. Since you are proposing to tax the cooperative banks, that will be passed on to the farmers. Mostly, the cooperative banks are serving in the rural areas, and the proposed tax will also be passed on to the farmers. How are you justified in doing this?

SHRI P. CHIDAMBARAM: Sir, as far as the current position is concerned, commercial banks were advised that they should not charge more than nine per cent on crop loans up to Rs. 50,000. That is the position today. My effort is to bring it down to seven per cent. So, considerable relief will be given to the farmer beginning *Kharif* 2006.I have already answered the other hon. Member on the RRB side and the PACS side also, we will give at seven per cent for the *Kharif*. So, the first part of your question is addressed. Every effort will be made to ensure that seven per cent is the rate for *Kharif*.

As regards the case of money-lenders, Sir, let me say this for the hon. Members that, every State, to the best of my knowledge, has a Usurious Money-lending (Prohibition) Act or by a similar name. Now, under that Act, the State Government stipulates a rate of interest and any interest charged by anyone beyond that rate of interest is illegal. Therefore, this case is a classic case where the State Government must come down heavily upon the money-lender and take civil and criminal action against the money-lender. You please pass on that paper to me, and I will, certainly, send it to the Chief Minister of Andhra Pradesh to take action. In fact, Sir, with your permission, I ask why are State Governments not taking action against usurious money-lenders? There is an Act...

SHRI RAVULACHANDRASEKAR REDDY: That is the whole problem. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: I am not talking about Andhra Pradesh; I am not talking about this Government. I am talking about every Government that has been there for many years in every State. I would appeal to Chief Ministers please take penal action, exemplary action against anyone lending beyond the stipulated rate under the Money-lending Act.

DR. MURLI MANOHAR JOSHI: Will the Minister assure the House that the Central Government will come forward with an Act which prohibits this thing? ...*(Interruptions)*... You have to do it because this is a very serious problem. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: This is **a** subject, I am talking from memory, whish, I think is in List 2 of the Constitution. Every State Government has passed a law. Now, I think collectively our voice must be raised to say every State Government must take exemplary action against these money-lenders. Let them take action.

DR. MURLI MANOHAR JOSHI: The Centre should also try to find out ways and means...*(Interruptions)*...

SHRI P. CHIDAMBARAM: I will write. ...*(Interruptions)*...

MR. CHAIRMAN: Let him say that the Government takes the action first.

SHRI P. CHIDAMBARAM: As far as the second part of the question is concerned, this relates to the Finance Bill. When I reply to the debate on the Finance Bill, I will deal with this question of section 80P.

Excavations undertaken by ASI

*324. SHRI BALAVANT *ALIAS* BAL APTE:
SHRI KRIPAL PARMAR:

Will the Minister of TOURISM AND CULTURE be pleased to state:

(a) whether the Archaeological Survey of India (ASl) has undertaken excavations during the last two years;

(b) if so, the details thereof, State-wise; and

(c) the details of new discoveries of historic significance made during the excavations by the different circles?

THE MINISTER OF TOURISM AND CULTURE (SHRIMATI AMBIKA SONI): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) to (c) Yes, Sir. The Archaeological Survey of India has undertaken excavations in various parts of the country during the last two years. State-wise details of these excavations carried out by various Circles and Branches, and historically significant discoveries made, is placed at Statement-I.

† The question was actualy asked on the floor of the House by Shri Kripal Parmar.